



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE
MEETING AGENDA
NOVEMBER 13, 2020 – 8:00AM**

DUE TO COVID-19, THE NOVEMBER 13, 2020 SANTA CRUZ METRO FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

Directors, staff and the public may participate remotely via the Zoom website [at this link](#) and following the posted instructions or by calling 1-669-900-9128 Meeting ID 891 5727 1191

Public comment may be submitted via email to boardinquiries@scmttd.com. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's weekly correspondence that is posted online at board meeting packet link.

The Finance, Budget and Audit Standing Committee Meeting Agenda Packet can be found online at www.SCMTD.com.

The Committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

Director Trina Coffman-Gomez
Director Donna Lind
Director Donna Meyers
Director Mike Rotkin

City of Watsonville
City of Scotts Valley
City of Santa Cruz
County of Santa Cruz

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO District Counsel

MEETING TIME: 8:00AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 ROLL CALL

3 ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET & AUDIT STANDING COMMITTEE

This time is set aside for Directors and members of the public to address any item not on the Agenda, but which is within the matter jurisdiction of the Committee. If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

4 ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

5 MONTHLY FINANCIAL UPDATE

Angela Aitken, CFO

6 KEY PERFORMANCE INDICATORS (KPI) REPORT FOR 1st QUARTER FY21 THROUGH SEPTEMBER 30, 2020

Angela Aitken, CFO

7 COVID-19 TRANSIT FISCAL CRISIS ORAL REPORT

Alex Clifford, CEO

8 ADJOURNMENT

Accessibility for Individuals with Disabilities

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com. Upon request, Santa Cruz METRO will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to boardinquiries@scmttd.com or submitted by phone to the Executive Assistant at 831.426.6080. Requests made by mail (sent to the Executive Assistant, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Public Comment

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included in the official report, please include it in your email. Comments that require a response may be deferred for staff reply.



Year to Date Monthly Financial Report as of August 31, 2020

Santa Cruz METRO Board of Directors

November 13, 2020

Angela Aitken, Chief Financial Officer

FY21 Operating Revenue and Expenses For the Month Ending August 31, 2020

17% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$4,660	\$2,793	\$1,867
Operating Expenses:			
Labor - Regular	\$1,283	\$1,563	\$280
Labor - Overtime	\$44	\$130	\$86
Fringe Benefits	\$1,503	\$1,719	\$216
Non-Personnel Expenses	\$731	\$803	\$72
Total Operating Expenses:	\$3,560	\$4,214	\$654
Transfers:	(\$157)	(\$174)	(\$17)
Operating Balance:			\$2,538

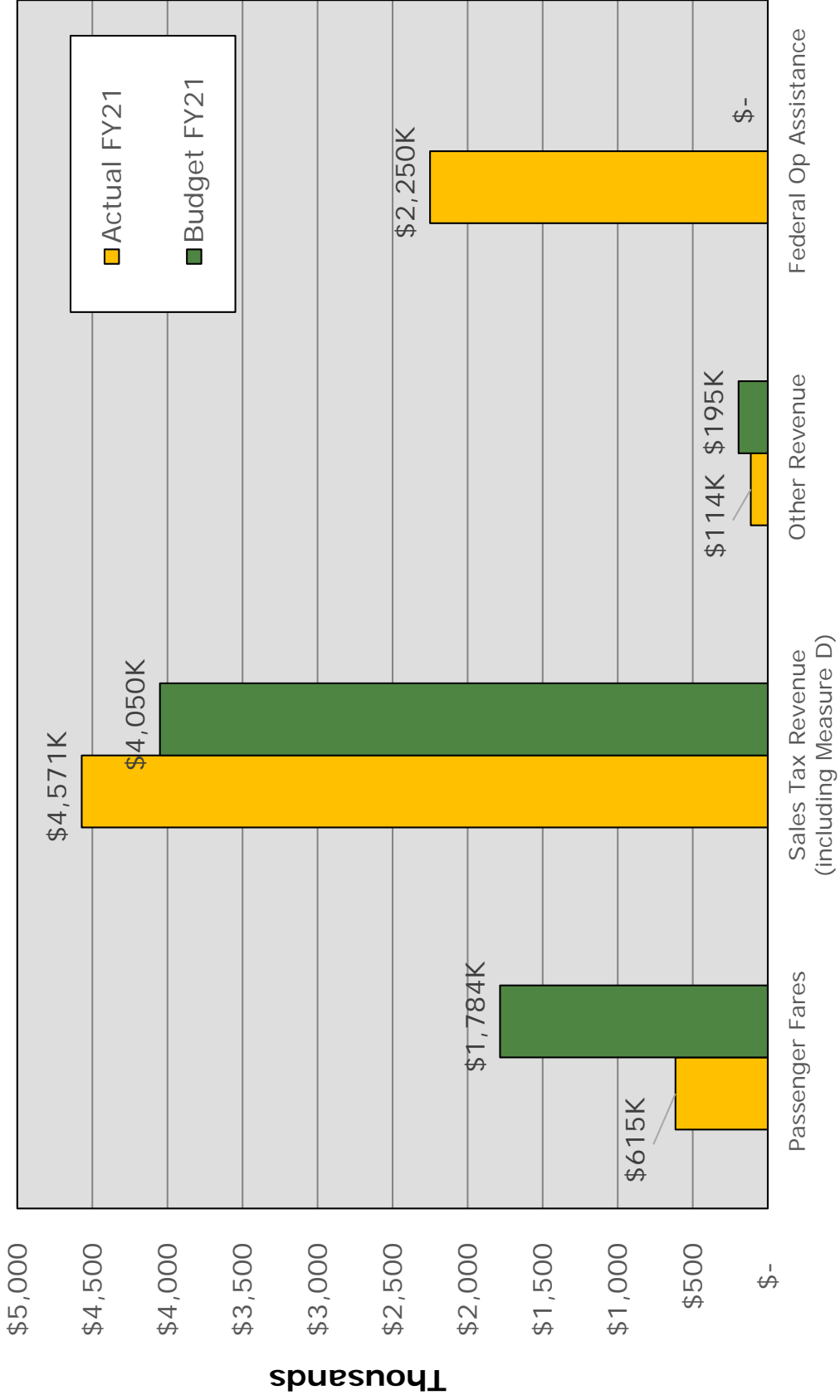
FY21 Operating Revenue and Expenses

Year to Date as of August 31, 2020

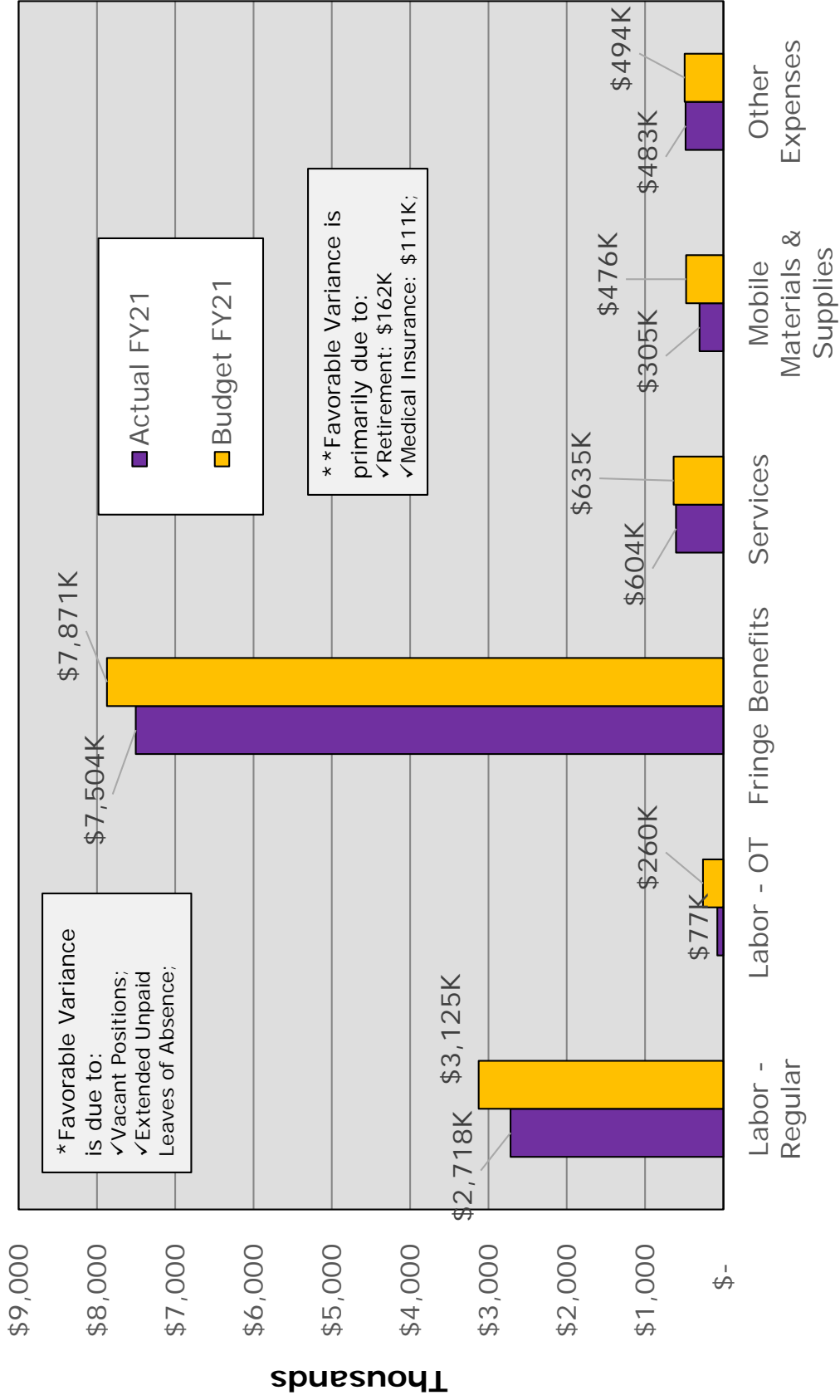
17% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$7,550	\$6,028	\$1,522
Operating Expenses:			
Labor - Regular	\$2,718	\$3,125	\$407
Labor - Overtime	\$77	\$260	\$183
Fringe Benefits	\$7,504	\$7,871	\$367
Non-Personnel Expenses	\$1,392	\$1,606	\$214
Total Operating Expenses:	\$11,691	\$12,862	\$1,171
Transfers:	(\$379)	(\$348)	\$31
Operating Balance:			\$2,662

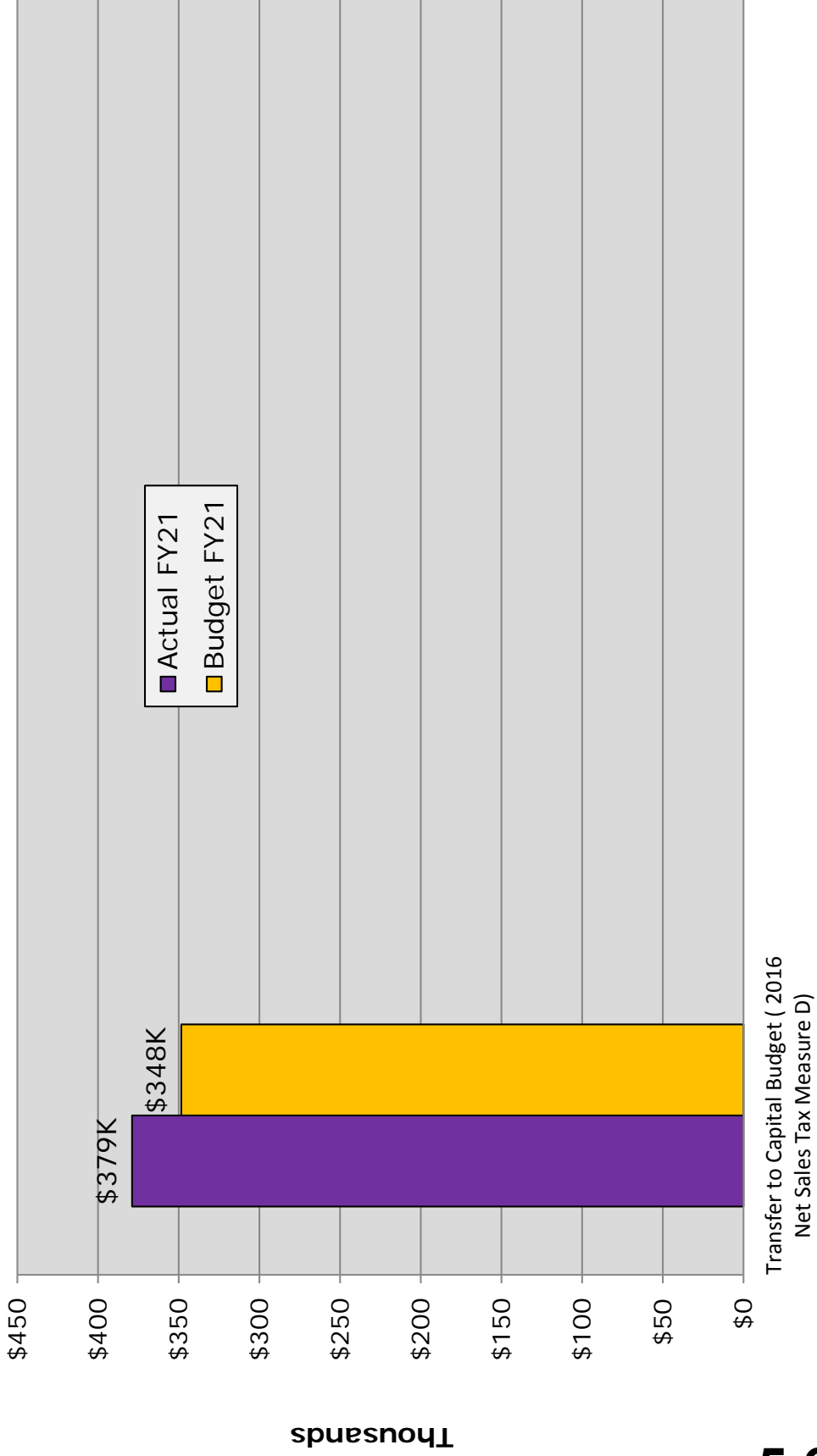
FY21 Operating Revenue by Major Funding Source Year to Date as of August 31, 2020: 17% of Fiscal Year Elapsed



FY21 Operating Expenses by Major Expense Category Year to Date as of August 31, 2020 17% of Fiscal Year Elapsed



FY21 Transfers Year to Date as of August 31, 2020 17% of Fiscal Year Elapsed

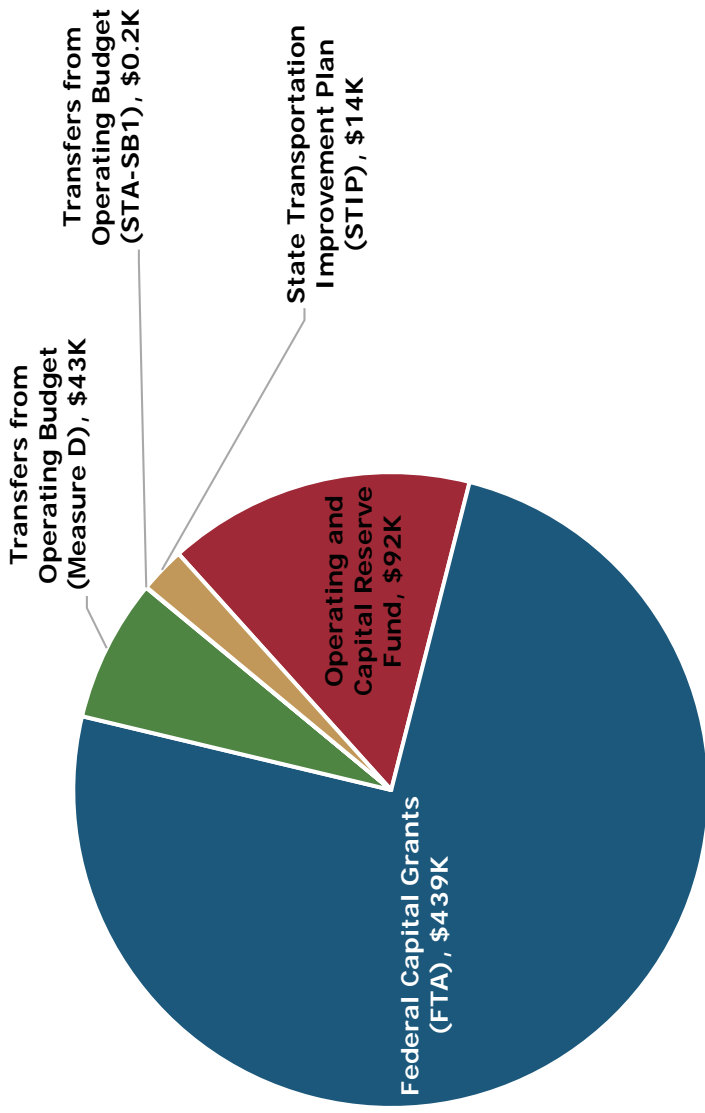


FY21 Capital Budget:

Spending Year to Date (by Funding Source) as of August 31, 2020

17% of Fiscal Year Elapsed

	Actual YTD	Total FY21 Budget	% Spent YTD
Total Capital Funding:	\$587,638	\$28,138,592	2.0%



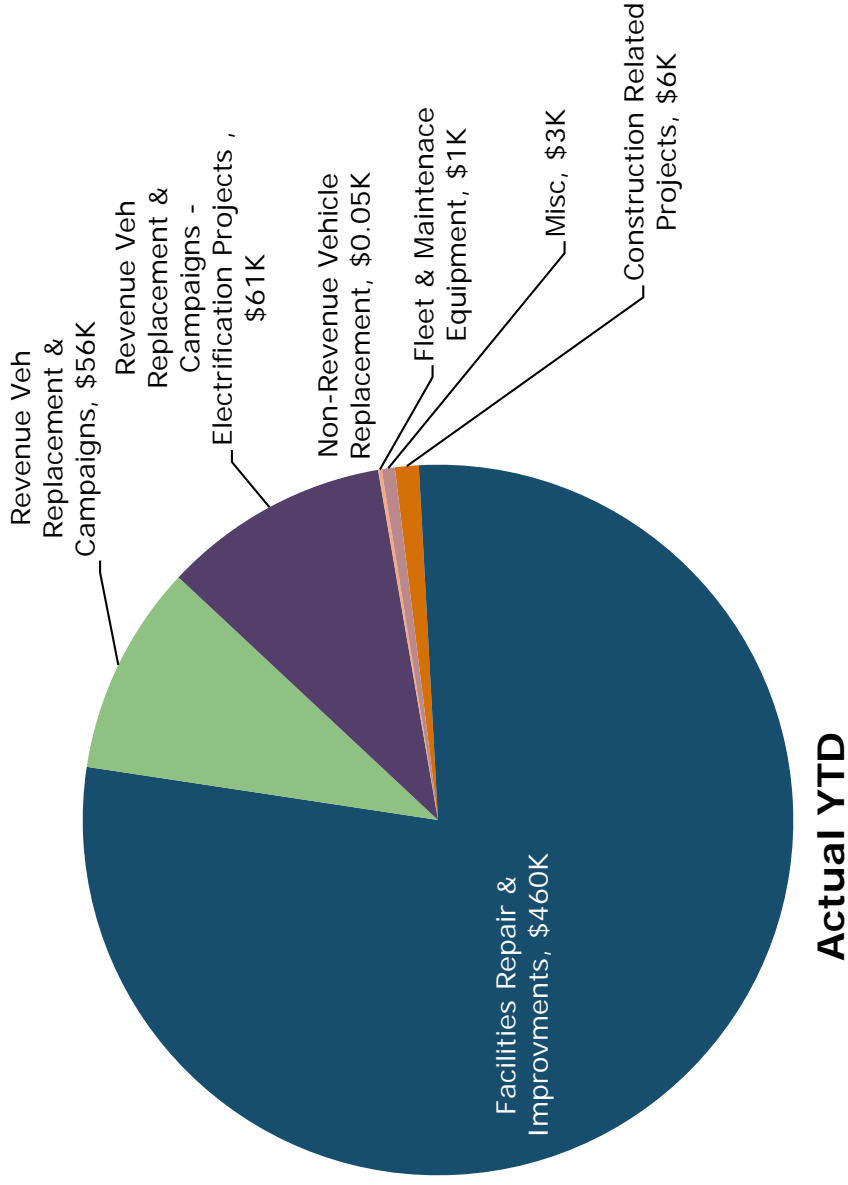
Actual YTD

FY21 Capital Budget:

Spending Year to Date as of August 31, 2020

17% of Fiscal Year Elapsed

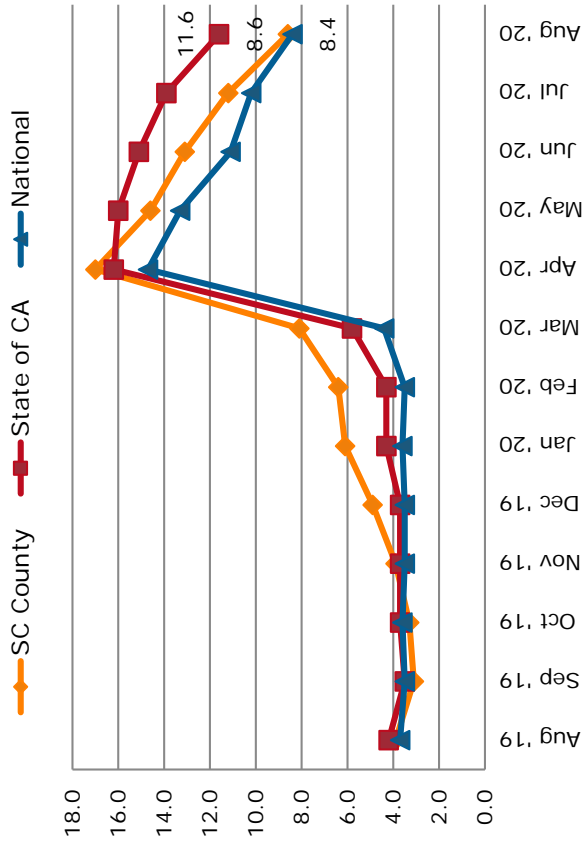
	Actual YTD	Total FY21 Budget	% Spent YTD
Total Capital Projects:	\$587,638	\$28,138,592	2.0%



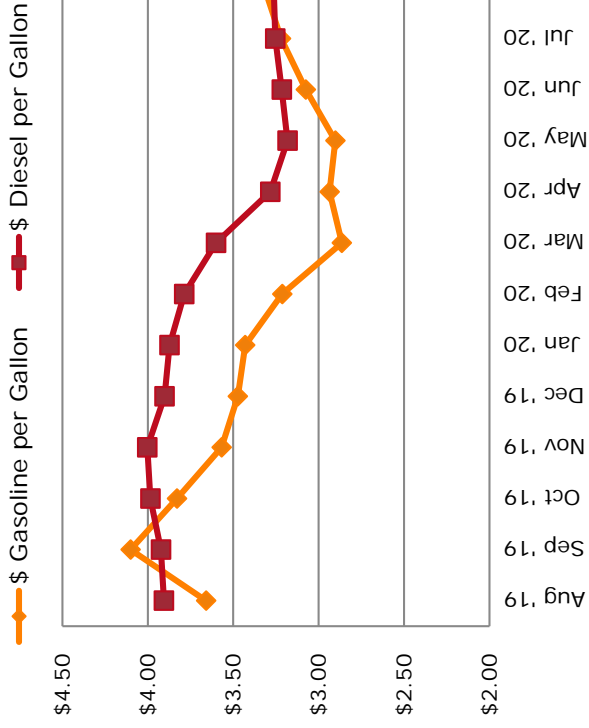
Additional Information

Economic Indicators & Ridership:

Unemployment Rate %



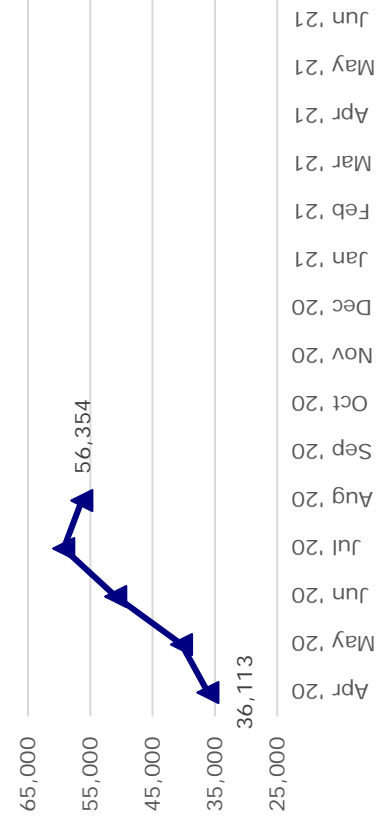
\$ Diesel/Gasoline per Gallon
San Francisco – Oakland – San Jose



FY20-FY21 Ridership: August YTD

Ridership	FY20	FY21	% Change
Total	546,403	115,610	-78.8%
Hwy 17	44,442	5,485	-87.7%
Local	501,961	110,125	-78.1%
UCSC	151,773	8,783	-94.2%
Cabrillo	30,514	307	-99.0%
Non-Student	319,674	101,035	-68.4%

FY20-FY21 Ridership Recovery



**FY21 Operating Revenue, Expenses, and Transfers:
 Year to Date as of September 30, 2020: PRELIMINARY:**

25% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$19,169	\$18,363	\$806
Operating Expenses:			
Personnel Expenses	\$13,334	\$14,667	\$1,333
Non-Personnel Expenses	\$2,064	\$2,408	\$344
Total Operating Expenses:	\$15,398	\$17,075	\$1,677
Transfers:			
Transfers to Capital Budget	(\$579)	(\$523)	\$56
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
Total Transfers:	(\$579)	(\$523)	\$56
Operating Balance:			\$2,427

Questions

5.12



KEY PERFORMANCE INDICATORS (KPI) REPORT

FOR 1st QUARTER FY21 THROUGH SEPTEMBER 30, 2020

Finance, Budget & Audit Standing Committee

November 13, 2020

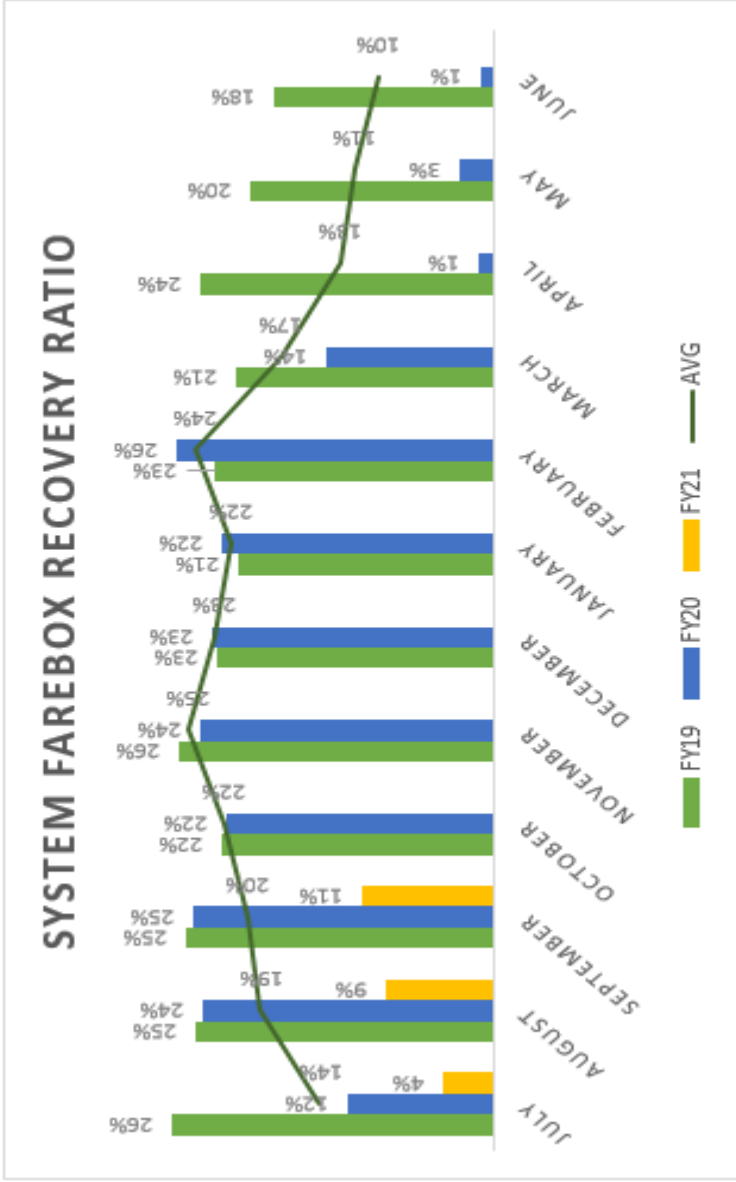
Angela Aitken, Chief Financial Officer

Overview of Today's Presentation:

KPI Category	Criteria / Metric
Financial Performance	<ul style="list-style-type: none">✓ System Farebox Recovery Ratio✓ Fixed Route & Commuter Cost / RSH✓ ParaCruz Cost/Trip
Productivity	<ul style="list-style-type: none">✓ Total Ridership✓ Total Ridership / Hour✓ Highway 17, USCS, Cabrillo & Local Ridership✓ Passengers / RSH by Route
Risk Management & Safety	<ul style="list-style-type: none">✓ Traffic Accidents✓ Passenger Incidents
Reliability	<ul style="list-style-type: none">✓ Miles Between Chargeable Road Calls for Fixed Route, Highway 17, & ParaCruz
Dependability	<ul style="list-style-type: none">✓ Cancelled Trips by Cause✓ Cancelled Trips by Region

Financial Performance:

Metric:	System Farebox Recovery Ratio
Description & Importance:	<p>The Farebox Recovery Ratio is an indication of how much of a transit agency's costs are covered by passenger fares and provides insight to the amount of non-passenger revenue (subsidy) needed to cover costs. Additionally, it allows the agency to compare cost-effectiveness within its own service.</p>



Current Status:

- Farebox recovery ratio started declining in March of FY20 due to COVID-19
- As Fare collection resumed in June of FY20 and gained traction, METRO's Farebox recovery ratio has steadily increased in Q1 of FY21
- Major factors affecting lower year-over-year performance is the loss of in-person classes at UCSC and Cabrillo. Year-to-date lost revenue from these institutions is approximately \$742K (year over year)

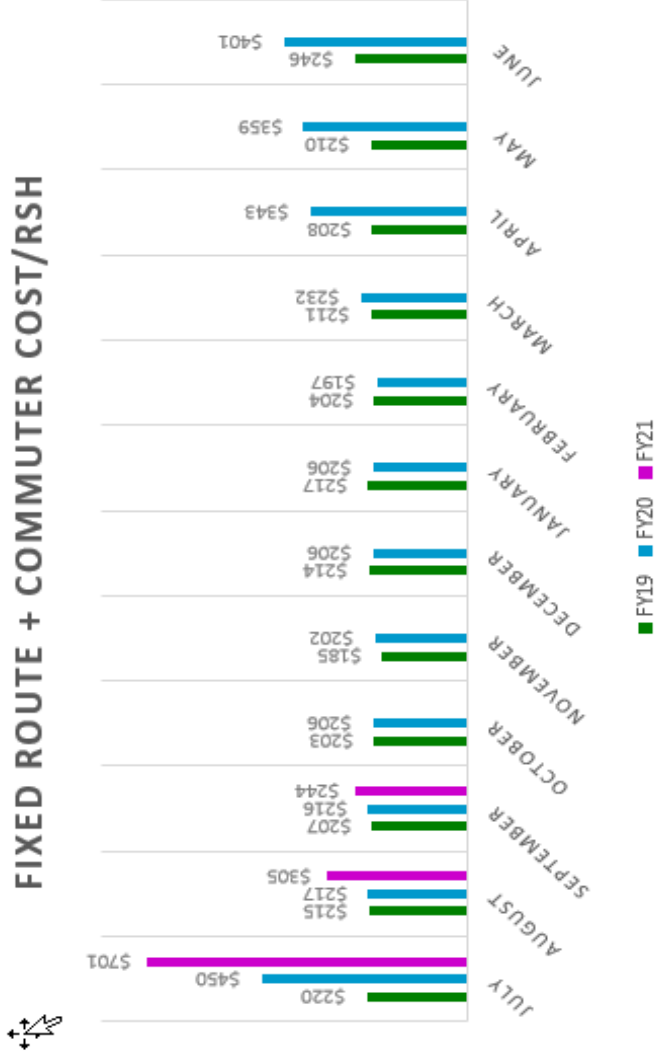
Financial Performance:

Metrics:	<ul style="list-style-type: none"> Fixed Route & Commuter Cost per Revenue Service Hour (RSH)
Description & Importance:	<p>The metrics depict the cost per hour of service and are measured to ensure that transit services are delivered efficiently through effectively tracking and minimizing costs.</p>

Current Status:

- Cost per Revenue Service Hour (RSH) increased in July FY21 because of the PERS pre-payment for the Unfunded Accrued Liability (UAL) for \$4.4M
- In FY20 and FY21 cost per RSH increased due to reduced service hours during shelter-in-place, while costs remained relatively fixed

FIXED ROUTE + COMMUTER COST/RSH



Fiscal Year	12 Month Average
FY19	\$212
FY20	\$395
FY21 YTD	\$417

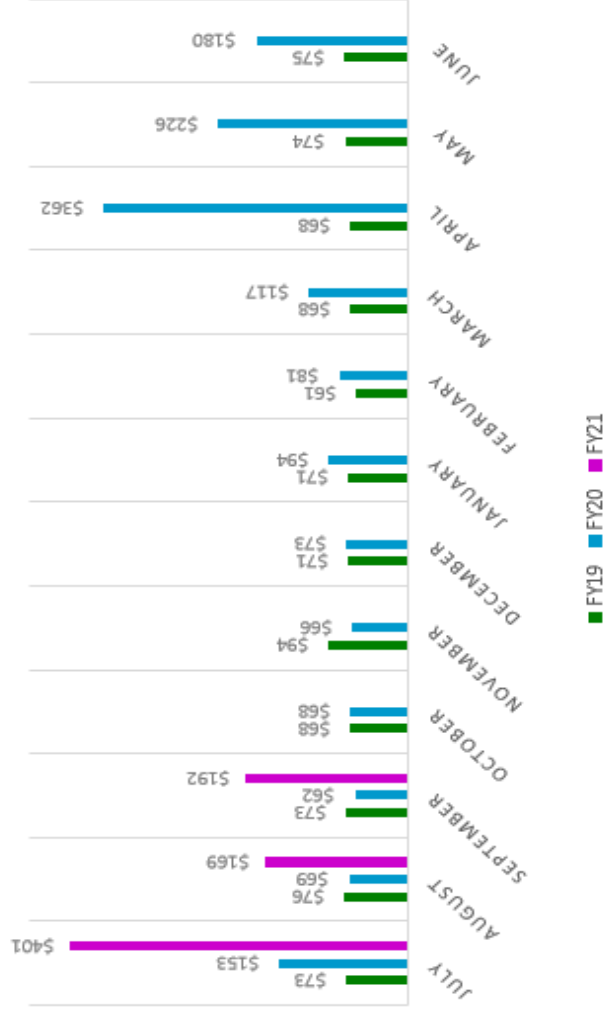
Financial Performance:

Metrics:	<ul style="list-style-type: none"> ParaCruz Cost per Trip
Description & Importance:	<p>The metrics depict the cost per trip and are measured to ensure that transit services are delivered efficiently through effectively tracking and minimizing costs.</p>

Current Status:

- ParaCruz cost per trip increased in July FY21 because of the PERS pre-payment for the Unfunded Accrued Liability (UAL) for \$4.4M
- In FY20 and FY21 ParaCruz cost per trip increased due to reduced trips during shelter-in-place because of the pandemic, while costs remained relatively fixed

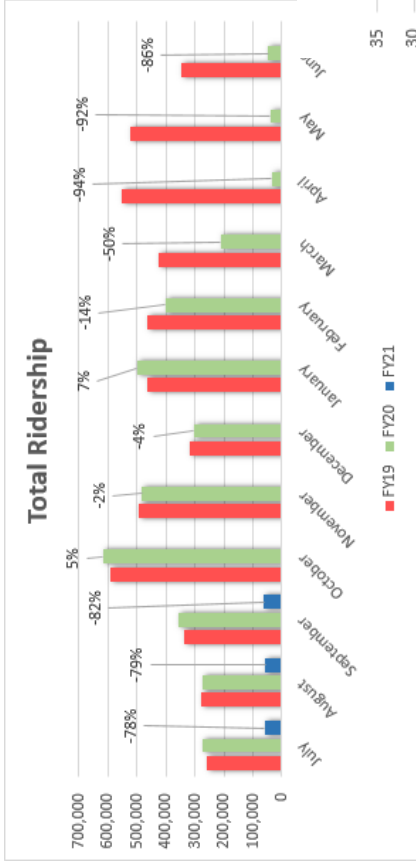
PARACRUZ COST/TRIP



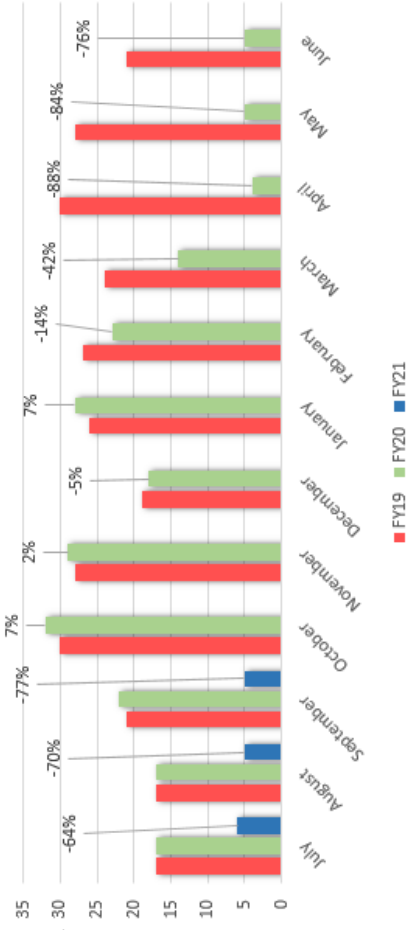
Fiscal Year	12 Month Average
FY19	\$73
FY20	\$149
FY21 YTD	\$254

Productivity:

Metrics: <ul style="list-style-type: none"> • Total Ridership • Total Ridership per Hour 	
	<p>Total Ridership and Ridership per hour are measures of productivity. The metrics depict seasonal fluctuations in ridership related to holidays, school terms and other. The effects of COVID-19 are seen in Q4 of FY20 and Q1 of FY21.</p>



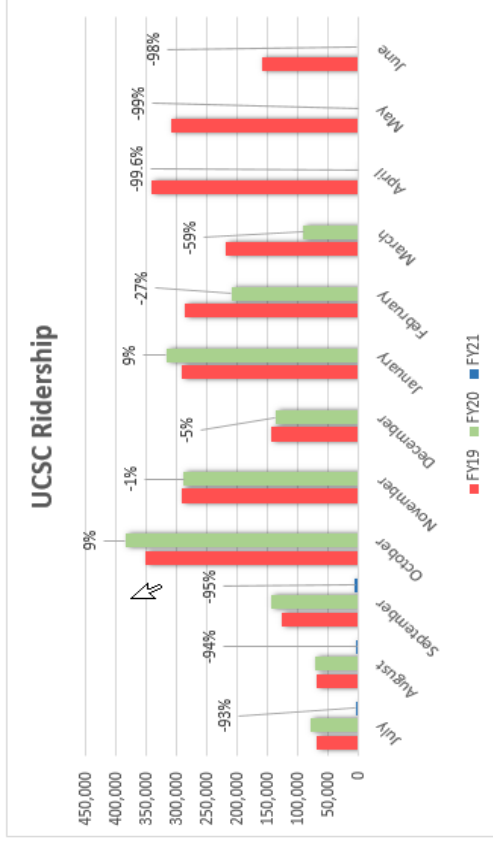
Current Status:
 Total Ridership across all routes has decreased due to COVID-19 compared to previous years



Current Status:
 Total Ridership per hour took a sharp decline in March and has been slowly increasing in FY21

Productivity:

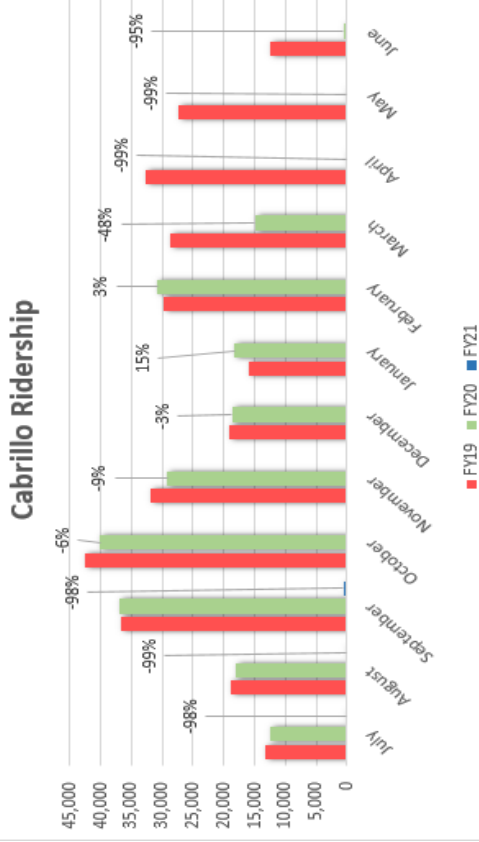
Metrics:	<ul style="list-style-type: none"> UCSC Ridership Cabrillo Ridership
Description & Importance:	Historically, student ridership has been a large portion of METRO's total ridership. Increases in student enrollment and seasonal trends can be seen year over year in the graphs below.



Current Status:
Cabrillo ridership has dramatically decreased since the community college started online classes in March of FY20

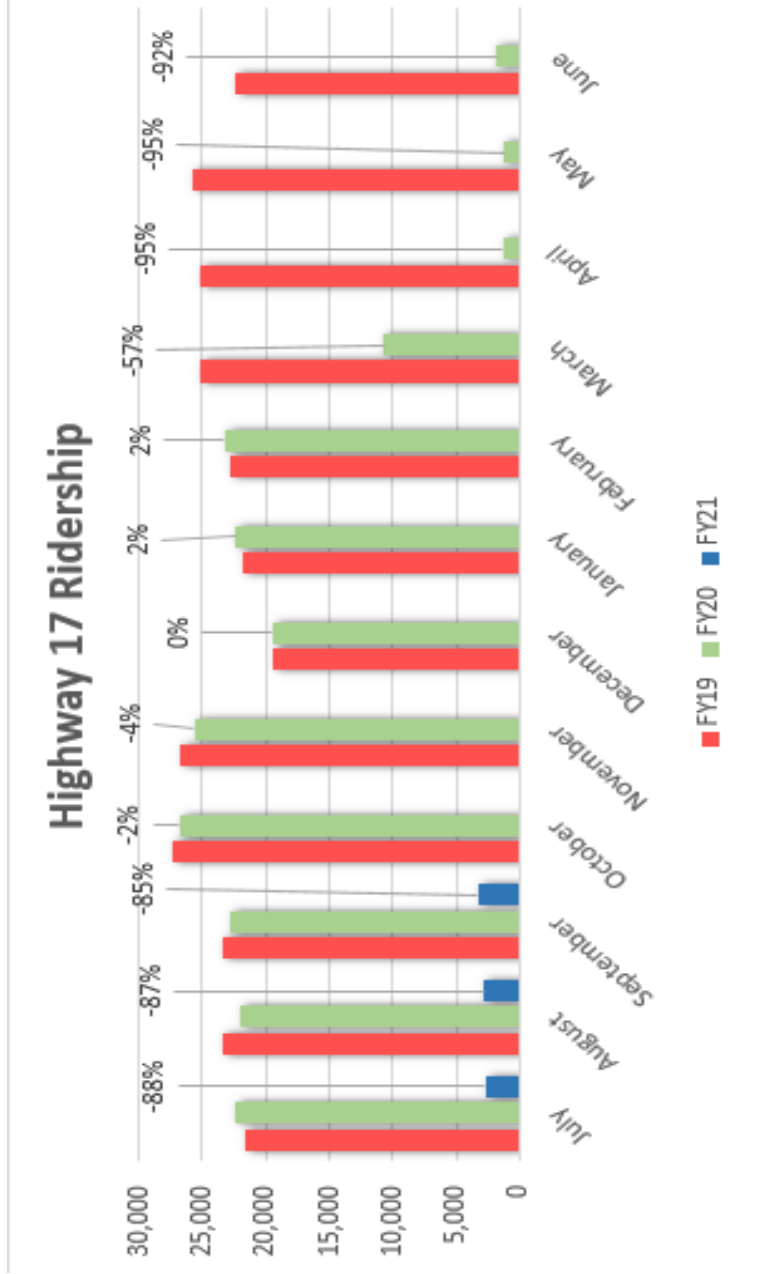
Current Status:

In March of FY20 UCSC switched to online classes, thus ridership decreased. In Q1 of FY21 ridership has slightly increased



Productivity:

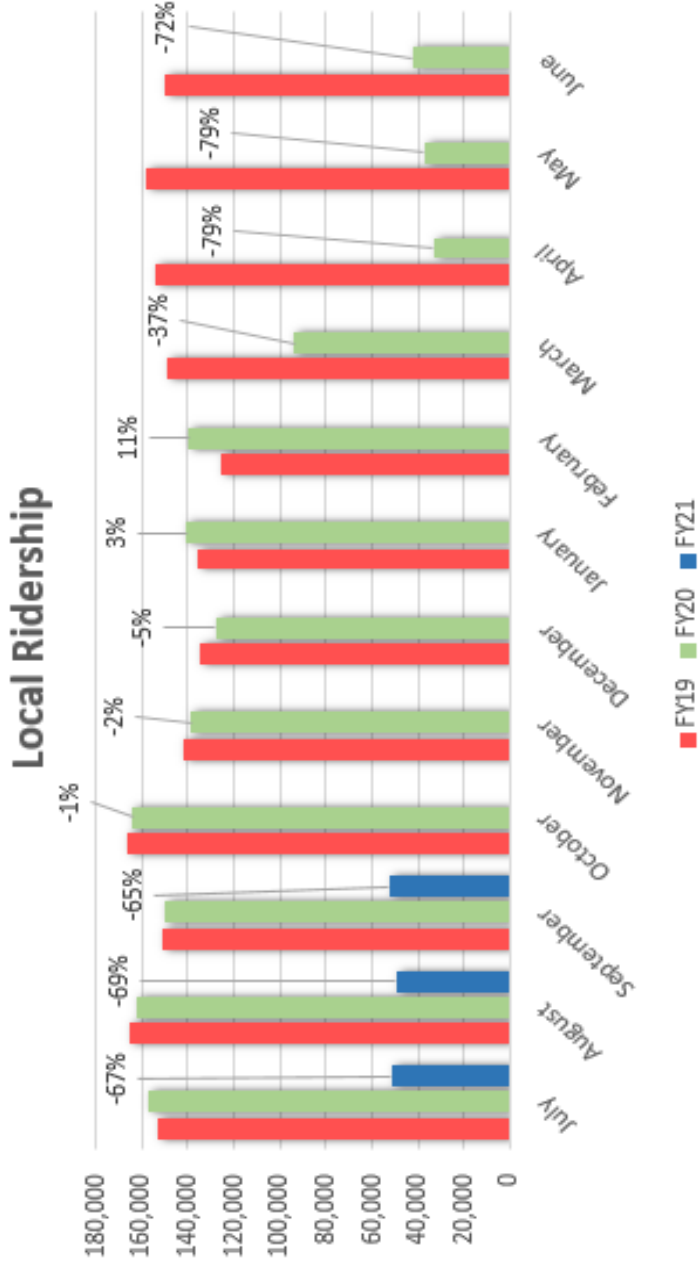
Metrics:	<ul style="list-style-type: none"> Highway 17 Ridership
Description & Importance:	<p>Highway 17 demonstrates METRO's commuter ridership, connecting Santa Cruz to San Jose. Ridership, excluding student and commuter routes, reflects all other local routes within the county.</p>



Current Status:
 Highway 17 ridership plummeted since March FY20 and has been slowly increasing in Q1 of FY21

Productivity:

Metrics:	<ul style="list-style-type: none"> Local Ridership
Description & Importance:	Local Ridership, excluding student and commuter routes, reflects all other local routes within the county.



Current Status:
 Local ridership has been increasing in Q1 of FY21 compared to Q4 of FY20

Productivity:

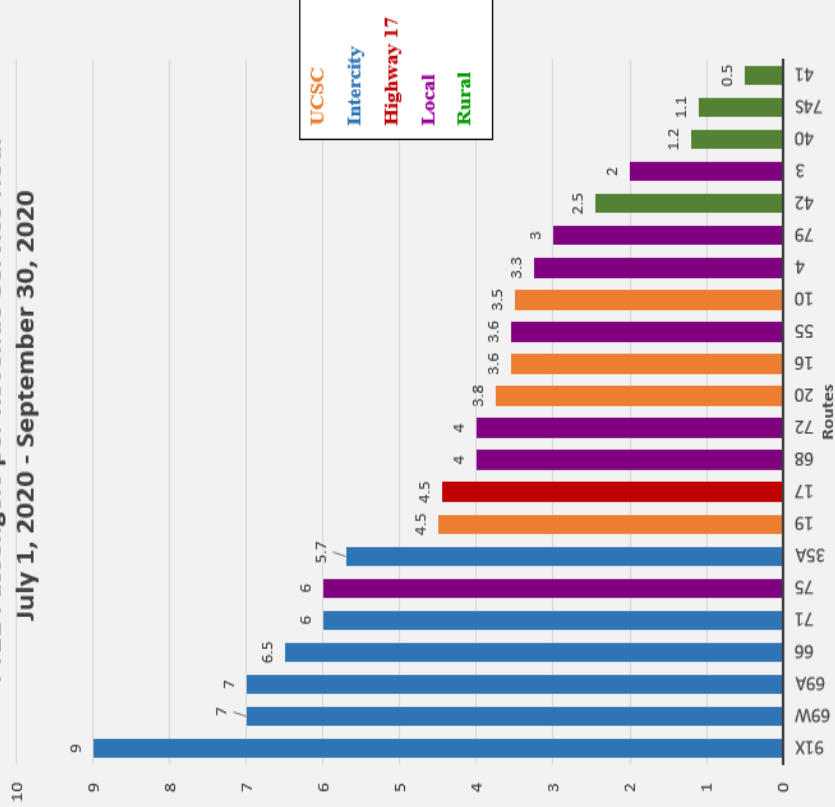
Metrics:

- **FY21 Passengers per Revenue Service Hour by Route**

Description & Importance:

Passengers per Revenue Service Hour (RSH) depicts the overall productivity of each route measured by passengers per hour of service. This ratio of productivity helps the agency focus on poor productivity rates and can stimulate discussions about frequency of service in urban and semi-urban areas of the county versus geographic coverage.

FY21 Passengers per Revenue Service Hour
July 1, 2020 - September 30, 2020



Current Status:

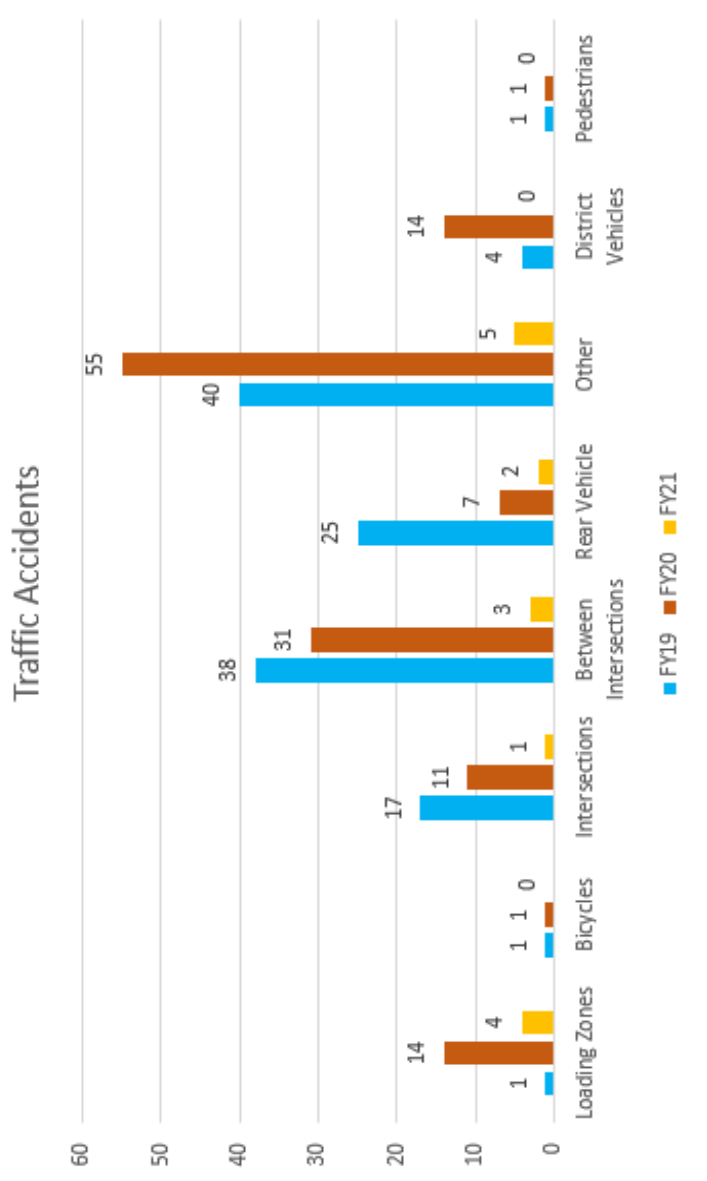
Traditionally UCSC routes will have higher passenger/RSH, however since COVID-19 and online classes, Intercity routes are showing a higher number of passengers per RSH

Risk Management & Safety:

Metrics:	<ul style="list-style-type: none"> Traffic Accidents
Description & Importance:	<p>Traffic Collisions are broken down into different categories: in loading zones, in intersections, between intersections, with bicycles, with bicycles, with pedestrians, with other district vehicles, with the rear of the vehicle, and other types of collisions, including with stationary objects. This chart does not represent the final determination of fault (chargeability).</p>

Current Status:

In Q1 of FY21 there have been very few traffic collision accidents, likely in part due to the lower volume of trips



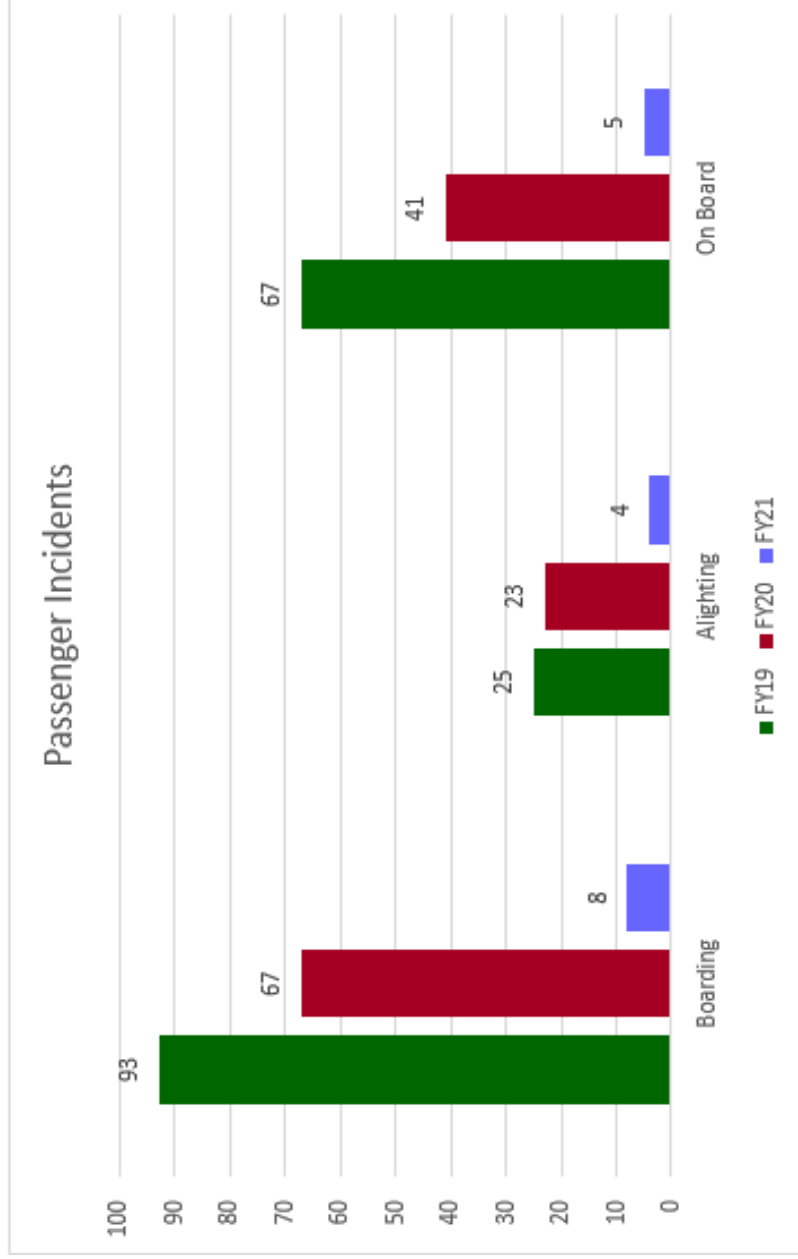
Risk Management & Safety:

Metrics:

- Passenger Incidents

Description & Importance:

Passenger Incidents are accidents with METRO passengers either while boarding a bus, while on board, or alighting (descending) a bus.



Current Status:

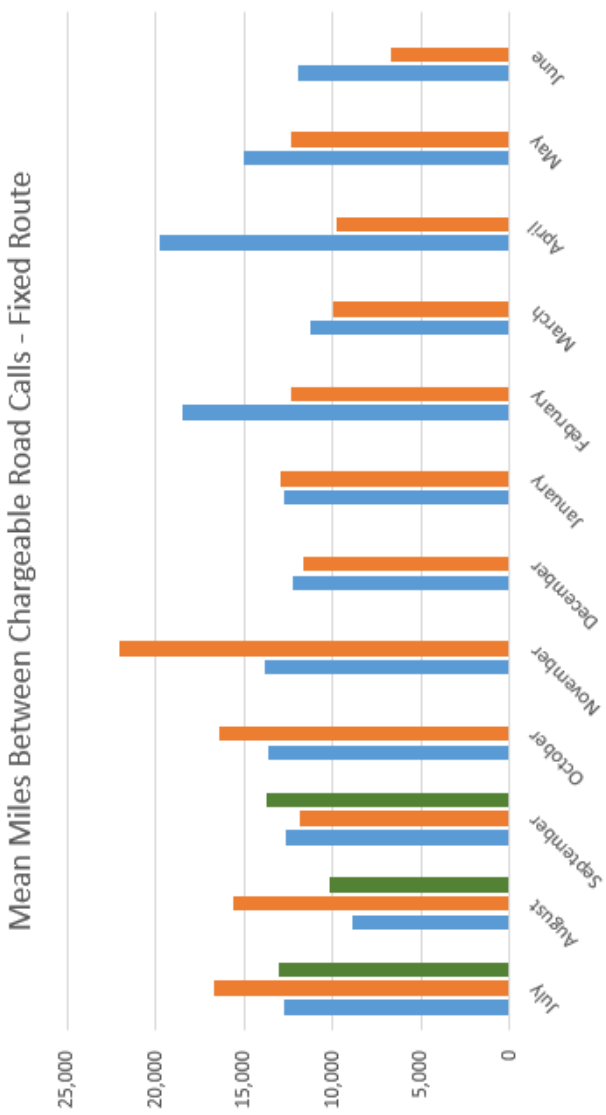
Similar to Traffic Accidents, there are few passenger incidents to report in FY21, in part due to METRO's decreased service during the pandemic

Reliability:

Metrics:	• Mean Miles Between Chargeable Road calls – Fixed Route (Local)
Description & Importance:	A chargeable road call results from a mechanical failure that impedes the vehicle from completing or starting a scheduled revenue trip because actual movement is limited, or there are safety concerns. The mileage depicted is how many miles were run for the month divided by the number of chargeable road calls. The graph below is for METRO's Fixed Route.

Current Status:

- This is an indicator of METRO's maintenance program, age of fleet, state of good repair, and fleet failures
- Mileage is increasing, while road calls vary by 1 or 2; so mileage between chargeable road calls has improved in Q1 of FY21



Fiscal Year	12 Month Average
FY19	13,610
FY20	13,216
FY21 YTD	12,346

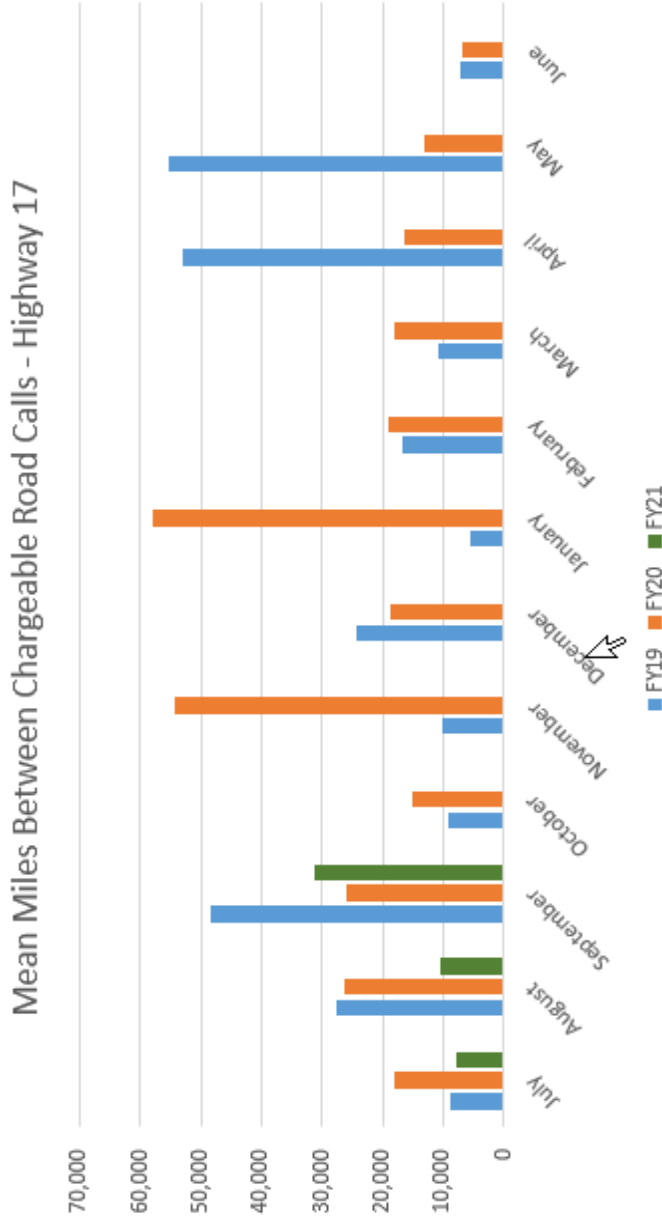
Higher Miles = Positive Indicator

Reliability:

Metrics:	• Mean Miles Between Chargeable Road Calls – Highway 17
Description & Importance:	A chargeable road call results from a mechanical failure that impedes the vehicle from completing or starting a scheduled revenue trip because actual movement is limited, or there are safety concerns. The mileage depicted is how many miles were run for the month divided by the number of chargeable road calls. The graph below is for METRO's Commuter Route.

Current Status:

- Commuter buses tend to perform better due to more highway miles, fewer stops and the newer fleet with less wear and tear
- Mileage is increasing, while road calls vary by 1 or 2; so mileage between chargeable road calls has improved in Q1 of FY21



Fiscal Year	12 Month Average
FY19	23,043
FY20	24,126
FY21 YTD	16,523

Higher Miles = Positive Indicator

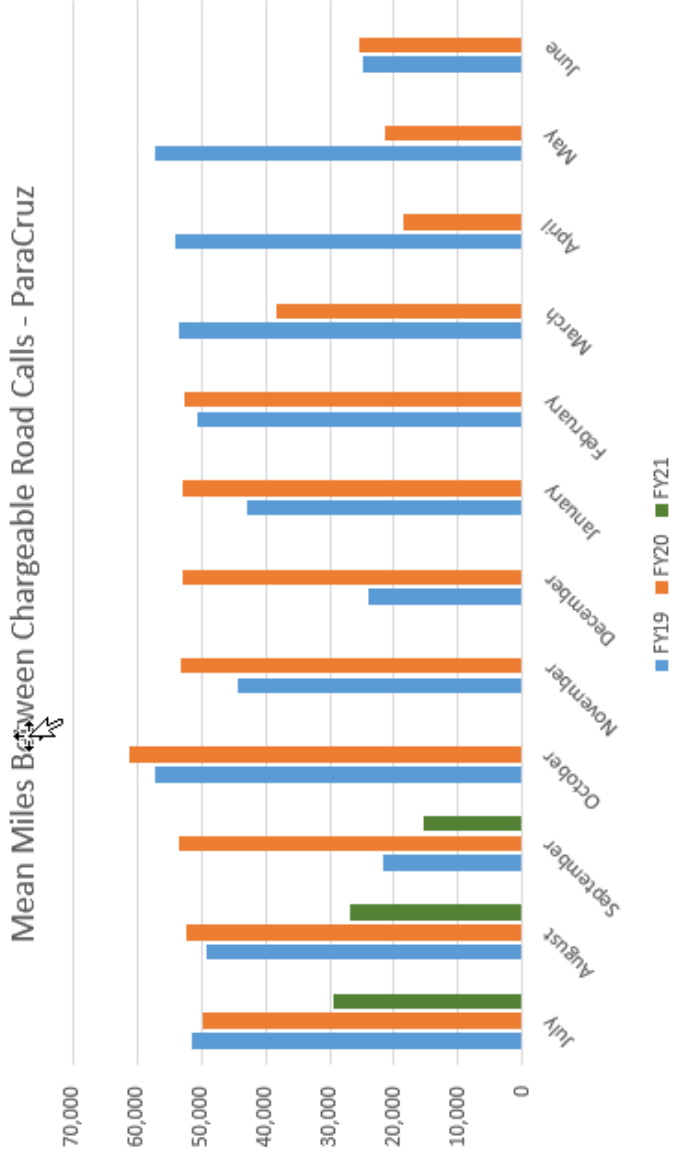
Reliability:

Metrics: • Mean Miles Between Chargeable Road Calls - ParaCruz

Description & Importance: A chargeable road call results from a mechanical failure that impedes the vehicle from completing or starting a scheduled revenue trip because actual movement is limited, or there are safety concerns. The mileage depicted is how many miles were run for the month divided by the number of chargeable road calls. The graph below is for METRO's ParaCruz vehicles.

Current Status:

In April of FY20 the miles ran each month was cut almost in half compared to what ParaCruz would run prior to COVID-19. While miles were cut, the number of chargeable road calls remained the same, which is why we see this trend in Q4 of FY20



Fiscal Year	12 Month Average
FY19	44,236
FY20	44,374
FY21 YTD	23,903

Higher Miles = Positive Indicator

Dependability:

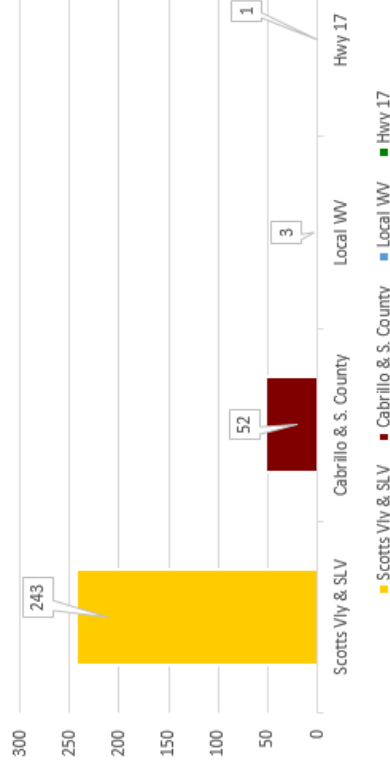
Metrics:

- Cancelled Trips by Region
- Cancelled Trips by Cause

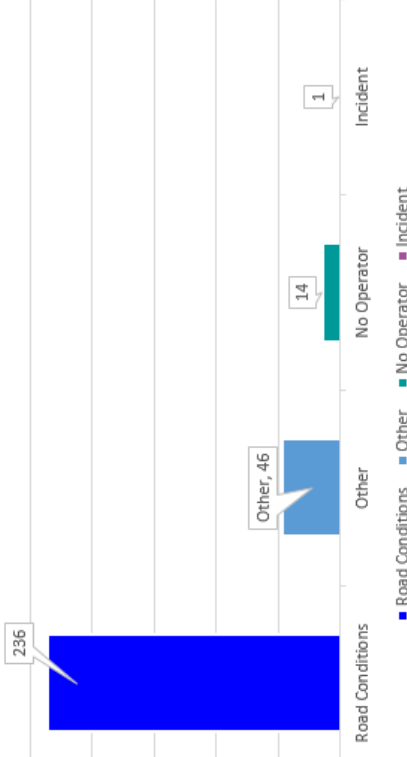
Description & Importance:

Cancelled trips are analyzed for different causes. Cancelled trips by Region show what areas the trip was canceled, while Cancelled Trips by Cause shows why the trip was cancelled.

FY21 Cancelled Trips by Region Q1
(July 20 - September 20)



FY21 Cancelled Trips by Cause Q1
(July 20 - September 20)



Current Status:

- In Q1 of FY21 the majority of cancelled trips were in August resulting from road closures in the San Lorenzo Valley due to the CZU Lightening Complex Fire
- Cancelled trips in the Cabrillo and South County region were due to restricted overtime for Bus Operators and lack of personnel. As a result, METRO was unable to fill all open assignments

Questions

6.17

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COVID-19 TRANSIT FISCAL CRISIS ORAL REPORT

Alex Clifford, CEO

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